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September 20, 2012

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BY OVERNIGHT DELIVERY

2012-352-C

Executive Secretary
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RECEIVED
PUBLIC SERVICE
COMMISSION
SEP 21 2012

Re: Notification by Telrite Corporation and Applewood Communications
Corporation of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Telrite Corporation ("Telrite") and Applewood Communications, Inc. ("Applewood") (together "Applicants"), this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement"), whereby Telrite will acquire substantially all of the assets of Applewood, including, but not limited to, Applewood's customer accounts in this State (the "Acquisition").

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

Telrite is a Georgia corporation with principal offices located at 4113 Monticello Street, Covington, Georgia 30014. Telrite is a certified long distance telecommunications resale provider in this State.¹

Applewood is a Delaware corporation with principal offices located at 1057 Bill Tuck Highway, Suite 224, South Boston, VA 24592. Applewood is a certified long distance telecommunications resale provider in this State.²

¹Telrite provides resold long distance telecommunications services in this State pursuant to authority granted by a certification dated 9/29/04 in Docket No. 2003-728-C.
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² Applewood provides resold long distance telecommunications services in this State pursuant to authority granted by a certification dated 1/12/12 in Docket No. 2011-318-C.

The Acquisition contemplates the following:

- a. Telrite will receive ownership, right, title and interest in and to substantially all of Applewood's assets, including its customer accounts, as defined in the Agreement.
- b. Applewood will receive the purchase price set forth in the Agreement, pursuant to an Asset Purchase Agreement.

Telrite proposes the Acquisition to consolidate the business and customer accounts of Applewood with Telrite in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of Telrite's and Applewood's customers. Service to Applewood's customers will continue uninterrupted.

The customers of Applewood will be given the opportunity to switch their service from Applewood to a different carrier. Telrite anticipates that none of the customers of Applewood will experience any change in rates due to the Acquisition. To the extent that any of Applewood's rates are not presently included in Telrite's tariffs, Telrite will amend its tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either Applewood or Telrite. Those customers of Applewood who choose not to switch their service to a different carrier will receive service from Telrite.

The technical, managerial and financial personnel of Applewood will assist with the transition and integration of the acquired Assets after the transaction and the technical, managerial and financial personnel of Telrite will continue to serve the transferred Applewood customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by Applewood. The Acquisition will serve the public interest in that it will ensure that current Applewood customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Telrite to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Executive Secretary
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In addition, Applewood requests relinquishment of their certificate of authority and/or tariff pursuant to this Notification.

Enclosed are the original and five (5) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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